

November 28, 2001

Mr. A. W. Turner  
Associate General Counsel  
Portland General Electric Company  
One World Trade Center, 1WTC-13  
121 SW Salmon Street  
Portland, Oregon 97204

Dear Mr. Turner:

By order dated June 19, 2001, in San Diego Gas & Electric Co., Docket No. EL00-95-031, et al., the Commission established west-wide price mitigation for daily sales in the spot market. That mitigation established a maximum price for spot sales of about \$92/MWh. The FY 2002 Energy and Water Development Appropriations Act includes the following language directing FERC to submit a report to Congress by January 31, 2002:

The conferees direct the Commission to submit a report to Congress by January 31, 2002, on the economic impacts of western utilities and ratepayers associated with the Commission's emergency order imposing price caps on daily spot power sales resulting from the inability of western load serving utilities to recover costs from daily sales of excess power from long-term forward contracts.

Accordingly, please provide the following information:

1. For the period commencing June 21, 2001, to the present, provide the daily amount (MWh) of surplus power from long-term purchases which you had available for resale in the spot market.
2. For each day of the period commencing June 21, 2001, to the present, provide the amount of power from long-term purchases which you resold for periods of longer than a day (not subject to the \$92/MWh maximum price) together with the following cost and revenue data for each resale transaction:
  - (a) the total original cost of the long-term purchases stated on a \$/MWh basis at full hours' utilization; and

- (b) revenues from the resale of the long-term purchases stated on a \$MWh basis for sales longer than a day.
- 3. For each day of the period commencing June 21, 2001, to the present, provide the amount (MWh) of power that was resold in the spot market subject to the \$92/MWh maximum price together with the following cost and revenue data for each resale transaction:
  - (a) the total original cost of the long-term purchases stated on a \$/MWh basis at full hours' utilization;
  - (b) the revenue from the resale of the long-term purchases stated on a \$/MWh basis for sales of a day or less; and
  - (c) the cost not recovered from these sales due to the \$92MWh maximum price.
- 4. Provide the same information identified above on a projected basis from the present through September 2002.
- 5. Based on the information provided above, provide the estimated impact on your company due to the current price mitigation. In addition, provide a narrative explanation with this response describing what percentage of your total system supply is represented by the transactions in question numbers 3 and 4.
- 6. Based on the information provided above, what is the estimated impact on your ratepayers due to the current price cap mitigation? In addition, provide a narrative explanation with this response.

Please provide the above information within 21 days of the date of this letter. To ensure compatibility and to expedite this process, an Excel spreadsheet entitled "Cost Recovery of Long-Term Contracts under the Commission's Western Mitigation Program" has been prepared and is posted on the Commission's web site ([www.ferc.gov/electric.htm](http://www.ferc.gov/electric.htm)). This spread sheet should be filled out and emailed to [william.booth@ferc.gov](mailto:william.booth@ferc.gov) If you seek confidential treatment for part of the requested information, two versions of the spreadsheet should be provided to William Booth. Indicate in the email and in the title of the spreadsheet that data is "Confidential" or "Not Confidential".

Sincerely,

Donald J. Gelinas  
Associate Director  
Office of Markets, Tariffs and Rates

